

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**

(INSTITUTE FOR DEFENSE ANALYSES – REISSUANCE)

**RESOLUTION AUTHORIZING THE REISSUANCE OF NOT TO EXCEED \$10,750,000
AGGREGATE PRINCIPAL AMOUNT OF VARIABLE RATE REVENUE BONDS
(INSTITUTE FOR DEFENSE ANALYSES), SERIES 2005, APPROVING DOCUMENTS
RELATING TO THE TERMS, CONDITIONS AND REISSUANCE OF THE BONDS,
AND OTHER MATTERS RELATING THERETO**

RESOLUTION NO. 2019-001

RESOLVED, by the Executive Committee of the Board of Directors of the ABAG Finance Authority for Nonprofit Corporations (the "Authority") as follows:

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with Section 6500) (the "JPA Law"), certain California cities and counties have entered into a joint exercise of powers agreement, dated as of April 1, 1990 and revised as of September 18, 1990 and June 9, 1992 (the "Agreement") pursuant to which the Authority was organized; and

WHEREAS, the Agreement was entered into in order to enable the Authority to assist nonprofit corporations and other entities to obtain financing and refinancing for projects and purposes serving the public interest; and

WHEREAS, the Authority is authorized to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements to finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), which are determined by the Authority to satisfy the criteria set forth in its ABAG Finance Authority for Nonprofit Corporations Guidelines for Issuance (the "Eligible Organizations"); and

WHEREAS, pursuant to the provisions of the JPA Law and the Agreement, the Authority may, at its option, issue bonds and enter into a loan agreement with the Eligible Organizations; and

WHEREAS, at the request of the Institute for Defense Analyses, a 501(c)(3) nonprofit corporation (the "Borrower"), an Eligible Organization, the Authority previously issued its ABAG Finance Authority for Nonprofit Corporations Variable Rate Revenue Bonds (Institute for Defense Analyses Project) Series 2005 in the original aggregate principal amount of \$11,945,000 (the "Original Bonds") for the purpose of financing the renovation, construction and improvement and equipping of certain communications research facilities operating under the name of the Institute for Defense Analyses' Center

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**

Resolution No. 2019-001

for Communications Research - La Jolla, located in San Diego, California, pursuant to a Trust Indenture dated as of September 1, 2005, by and between the Authority and Wells Fargo Bank, N.A., predecessor to Wells Fargo Bank, National Association, as trustee (the "Trustee"), as amended and supplemented by that certain First Supplemental Indenture, dated as of July 1, 2008, between the Authority and the Trustee (collectively, the "Original Indenture");

WHEREAS, the proceeds of the Original Bonds were loaned by the Authority to the Borrower pursuant to a Loan Agreement dated as of September 1, 2005, as amended and supplemented by that certain First Supplement to Loan Agreement, dated as of July 1, 2008, each between the Authority and the Borrower (collectively, the "Original Loan Agreement"), pursuant to which the Borrower agreed to pay the principal and purchase price of and premium, if any, and interest on the Original Bonds as the same became due and payable; and

WHEREAS, on December 2, 2015 the Authority and the Trustee entered into an Amended and Restated Trust Indenture (the "Indenture") and the Authority and the Borrower entered into an Amended and Restated Loan Agreement (the "Loan Agreement") in order to provide for BB&T Community Holdings Co. (the "Bank Holder") to purchase the Original Bonds, as amended and restated and bearing interest at the Alternate Rate (the "Bonds"); and

WHEREAS, the Borrower now desires to amend and supplement the Indenture and the Loan Agreement pursuant to a Supplemental Trust Indenture and Supplemental Loan Agreement, by and among the Authority, the Borrower and the Trustee in order to extend the Bank Holder Rate Period (as such term is defined in the Supplement) and amend the interest rate at which the Bonds bear interest during the Bank Holder Rate Period, which amendments we have been advised by bond counsel will result in the reissuance of the Bonds for federal tax purposes; and

WHEREAS, the legal obligations of the Authority in connection with the reissuance of the Bonds will be limited to revenues received by the Authority from the Borrower pursuant to the Loan Agreement, and no public funds will be expended in connection with the reissuance of the Bonds; and

WHEREAS, the maximum aggregate principal amount of the Bonds to be reissued is \$10,750,000; and

WHEREAS, there have been filed with the Secretary of the Authority the following:

(1) A proposed form of the Supplemental Trust Indenture and Supplemental Loan Agreement (the "Supplement") to be entered into among the Authority, the Borrower and the Trustee, providing for the authorization, amendment and reissuance of the Bonds;

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**

Resolution No. 2019-001

(2) A proposed form of Allonge (the “Allonge to Promissory Note”) to the Borrower’s Amended and Restated Promissory Note dated December 2, 2015, to be entered into by the Borrower and authorized by the Authority, the Trustee and the Bond Holder, giving effect to the amendments contained in the Supplement; and

(3) A proposed form of Allonge to Bond (the “Allonge to Bond”) to be executed by the Authority, and acknowledged to by the Trustee and the Bond Holder, giving effect to the amendments contained in the Supplement;

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of the Board of Directors of the ABAG Finance Authority for Nonprofit Corporations, as follows:

Section 1. The form, terms and provisions of the Supplement, in the form on file with the Secretary of the Authority, are hereby approved, and the Chair, the President, the Executive Director, the Chief Financial Officer or the Secretary of the Authority, or a designee of any of such officers (the “Authorized Officers”), are hereby authorized and empowered to execute and deliver the Supplement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by any Authorized Officer, with the advice of bond counsel and counsel to the Authority, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. The form, terms and provisions of the Allonge, in the form on file with the Secretary of the Authority are hereby approved, and any Authorized Officer, or a designee of such officers, are hereby authorized and empowered to execute and deliver the Allonge with such and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by any Authorized Officer, with the advice of bond counsel and counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 3. The form, terms and provisions of the Allonge to Bond, in the form on file with the Secretary of the Authority are hereby approved, and any Authorized Officer, or a designee of such officers, are hereby authorized and empowered to execute and deliver the Allonge to Bond with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by any Authorized Officer, with the advice of bond counsel and counsel to the Authority, such approval to be conclusively evidenced by the delivery thereof.

Section 4. The Authority approves the reissuance of an aggregate principal amount of not to exceed \$10,750,000 of Bonds, in accordance with the terms of and to be secured in accordance with the Indenture, as amended and supplemented by the Supplement. Payment of the principal of, any redemption premium, and the interest on

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**

Resolution No. 2019-001

and purchase price of, the Bonds shall be made solely from the revenues to be received by the Trustee and the Authority pursuant to the Loan Agreement, as amended and supplemented by the Supplement, and the Bonds shall not otherwise be deemed to constitute a debt or liability of the Authority, nor shall the Bonds be deemed to constitute a debt or liability of any member of the Authority.

Section 5. All actions heretofore taken by the officers and agents of the Authority with respect to the reissuance of the Bonds are hereby approved, confirmed and ratified, and the officers of the Authority and their authorized deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things necessary to reissue the Bonds and to execute and deliver any and all certificates and other documents in addition to those enumerated herein, and any offering material, which they or bond counsel may deem necessary or advisable in order to consummate the reissuance and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

Section 6. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 6th day of June 2019.

ABAG FINANCE AUTHORITY FOR
NONPROFIT CORPORATIONS

Charles Lomeli
Chair of the Executive Committee

The above resolution was adopted by the ABAG Finance Authority for Nonprofit Corporations Executive Committee at a properly noticed meeting held on June 6, 2019 in San Francisco, California at which a quorum was present and acting throughout.

Frederick Castro
Secretary

**ASSOCIATION OF BAY AREA GOVERNMENTS
FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**

Resolution No. 2019-001

I, the undersigned, the duly appointed and qualified Secretary of the ABAG Finance Authority For Nonprofit Corporations, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said Authority at a duly called regular meeting of the Executive Committee of the Board of Directors of said Authority held in accordance with law on June 6, 2019.

Frederick Castro
Secretary
ABAG Finance Authority for Nonprofit
Corporations Executive Committee